



STATE OF MAINE
MAINE REVENUE SERVICES
24 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0024

DEPARTMENT OF
ADMINISTRATIVE & FINANCIAL SERVICES

REBECCA M. WYKE
COMMISSIONER

JOHN ELIAS BALDACCI
GOVERNOR

JEROME D. GERARD
ACTING EXECUTIVE DIRECTOR

RE: Maine Use Tax Compliance Program –Effective July 1 through December 31, 2006

Dear Maine Taxpayer:

The state of Maine recently enacted the Maine Use Tax Compliance Program. The program is designed to educate you about your use tax responsibilities and offer you an opportunity to resolve any omissions that exist.

WHAT IS USE TAX?

Use Tax is a substitute for sales tax. All states that have a sales tax also impose a use tax. Use tax has been in Maine law since 1951, the same as sales tax, and is imposed when sales tax has not been paid on taxable items. The use tax rate is the same as the sales tax rate. More details and forms are located on the web at: www.maine.gov or you can call (207)624-9693.

Are you liable for use tax?

If you answer yes to any of the following questions, you could be liable for Maine use tax.

For Individuals:

- Have you purchased anything in Maine or another state and brought it to Maine and not paid a 5% sales tax?
- Do you make tax free purchases via the internet, mail order catalogs or over the telephone?

For Business Owners:

- Have you withdrawn items from inventory for personal or business use that you purchased without paying sales tax?
- Have you purchased business supplies or non-exempt equipment tax free?

What is the Maine Use Tax Compliance Program?

This program offers you an excellent opportunity to resolve all past use tax obligations by reporting and paying only the highest 3 years between 2000 and 2005.

How does the Maine Use Tax Compliance Program work?

The program period is from July 1, 2006 through December 31, 2006, and will cover taxable purchases made from January 1, 2000 through December 31, 2005. In order to participate in this program, a person must report all of their previously unreported taxable purchases during the stated periods. After reporting each year's purchases; add the three highest years and pay that amount. Interest and penalties will be waived as well as the tax on the three smaller years and applicable use tax for items purchased prior to January 1, 2000. Any material misrepresentations or material omissions will disqualify a person from this program. See the enclosed special use tax form; if you require more information you can call (207)624-9595.

Business owners, register for future reporting: If you expect to have on going use tax obligations you should request to be registered for future reporting, for more information go to www.state.me.us/revenue/forms/general/reg.pdf.

Phone: (207)624-9595 NexTalk (TTY): 1-888-577-6690 Fax: (207)287-6627 e-mail: compliance.tax@maine.gov